

UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON AT SEATTLE

IN RE ELECTRONIC BOOKS ANTITRUST  
LITIGATION

Action Pending in:  
United States District Court, Southern District  
of New York (11-md-02293-DLC)

Case No.

DECLARATION OF JOHN LANGE  
IN SUPPORT OF MOTION TO  
QUASH OR MODIFY SUBPOENA  
DUCES TECUM

**NOTED FOR CONSIDERATION:  
FRIDAY, OCTOBER 5, 2012**

I, JOHN LANGE, do hereby declare:

1. **Identity of Declarant.** I am Associate General Counsel at Amazon.com, supporting eBooks. In this role, I have personal knowledge of content for Amazon's Kindle, plans for Kindle devices, Amazon's publishing and self-publishing lines of business, and Amazon's pricing of eBooks, as well as the types of documents maintained by Amazon in connection with those lines of business.

2. **Confidential Information Relating to eReaders.** I understand that Apple has served Amazon with a subpoena and that it is insisting that Amazon produce to Apple documents that would reveal detailed information regarding the development of Amazon's eReaders (both Amazon's dedicated e-ink reading devices as well as Amazon's tablet computer, the Kindle Fire), such as costs, engineering and other development information, pricing and sales strategies, and Amazon's future plans and projections for its Kindle eReaders. Amazon has spent many

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KIPLING LAW GROUP PLLC  
3601 FREMONT AVE N, SUITE 414  
SEATTLE, WASHINGTON 98103  
telephone (206) 545-0345  
fax (206) 545-0350

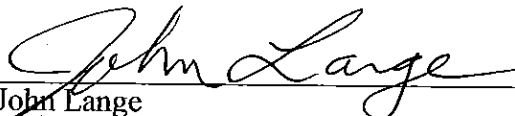
1 years and a significant amount of money developing its Kindle platform. Information relating to  
 2 the Kindle platform is highly confidential: We do not share our costs, revenues, sales figures,  
 3 plans and strategies, or our research and development documents, with anyone outside the  
 4 company. In fact, access to much of this data and many of these documents is limited within the  
 5 company on a need-to-know basis. Amazon's ability to compete with other sellers of eReaders  
 6 (which, of course, includes Apple) would be greatly diminished if its competitors were allowed  
 7 access to data relating to costs, revenues and sales figures, our research and development  
 8 documents, or our documents that reveal our forward-looking plans in the sale of eReaders. In  
 9 short, anyone with access to these documents would understand how Amazon has developed its  
 10 Kindle platform and where it is going with that platform.

11       3.       **Confidential Information Relating to Amazon's Publishing Efforts.** I also  
 12 understand that Apple is insisting on the production of documents regarding Amazon's  
 13 publishing business. Amazon has its own publishing unit called Amazon Publishing. Amazon  
 14 also has a unit called Kindle Direct Publishing ("KDP"), which is a program that allows authors  
 15 to publish eBooks directly to consumers. Documents relating to Amazon Publishing and KDP  
 16 would reveal the details of Amazon's contracts and business arrangements with authors and our  
 17 forward-looking plans and strategies for this line of business. Such documents—especially our  
 18 forward-looking plans and strategies—are closely guarded secrets that Amazon does not make  
 19 available to anyone outside the company. Forced disclosure of these materials would likewise  
 20 cause significant harm to Amazon. Not only do we compete with the defendant publishers in  
 21 this line of business, but we are also involved in highly sensitive contract negotiations with many  
 22 of these publishers. Detailed disclosure of Amazon's strategies for publishing, or other sensitive  
 23 information regarding its publishing efforts, would give those publishers an unfair advantage in  
 24 negotiations with Amazon, and would give Apple a preview of what Amazon is planning.  
 25 Likewise, detailed disclosure of Amazon's relationships with authors would give the publishers  
 26 an unfair advantage in competing for content.

1           4.       **Confidential Information Relating to Pricing.** Finally, I understand that Apple  
 2 also insists that Amazon produce its "pricing algorithm" for eBooks and documents that would  
 3 show the precise methodologies employed by Amazon to determine retail prices on eBooks.  
 4 Amazon has invested substantial time and money in developing a system for setting the retail  
 5 price of eBooks and these documents are among the company's most highly-guarded trade  
 6 secrets. Access to such information is restricted even within the company. We would never  
 7 share that information outside the company, especially with a competitor in the sale of eBooks  
 8 (such as Apple). If Apple were to learn exactly how Amazon determines the price it will charge  
 9 for eBooks, it would give them a significant unfair advantage over Amazon in the sale of  
 10 eBooks.

11           I declare under penalty of perjury that the foregoing is true and correct.

12           EXECUTED at Seattle, Washington this 14<sup>th</sup> day of September 2012.

13  
 14   
 15 John Lange

**CERTIFICATE OF SERVICE**

I do hereby certify that on this 14th day of September, 2012, I caused to be served a true and correct copy of the foregoing *Declaration of John Lange in Support of Motion to Quash or Modify Subpoena Duces Tecum* by method indicated below and addressed to the following:

Christopher Wells  
Lane Powell PC  
1420 Fifth Avenue, Suite 4100  
Seattle, WA 98101  
Telephone: (206) 223-7084  
Email: [wellsc@lanepowell.com](mailto:wellsc@lanepowell.com)

*Delivery Via:*  
☐ U.S. Mail  
☐ Overnight Mail  
☐ Facsimile  
☐ Hand Delivery  
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☐ CM/ECF

Andrew Frackman  
Edward N. Moss  
O'Melveny & Myers LLP  
Times Square Tower  
7 Times Square  
New York, NY 10036  
Telephone: (212) 728-5671  
Email: [afrackman@omm.com](mailto:afrackman@omm.com)  
Email: [emoss@omm.com](mailto:emoss@omm.com)

*Delivery Via:*  
☐ U.S. Mail  
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☐ Hand Delivery  
☒ E-Mail Only  
☐ CM/ECF

DATED this 14th day of September, 2012.

s/ Michael E. Kipling  
Michael E. Kipling, WSBA #7677  
KIPLING LAW GROUP PLLC  
3601 Fremont Avenue N., Suite 414  
Seattle, WA 98103  
206.545.0345  
206.545.0350 (fax)  
E-mail: [kipling@kiplinglawgroup.com](mailto:kipling@kiplinglawgroup.com)

*Counsel for Amazon.com, Inc.*